



AMERICAN
PSYCHOLOGICAL
ASSOCIATION
PRACTICE ORGANIZATION

July 25, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable John D. Dingell
Chairman
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel and Chairman Dingell:

I am writing on behalf of the American Psychological Association to express our strong support for legislative language within the proposed Children's Health and Medicare Protection (CHAMP) Act (H.R. 3162) that will restore to psychologists and social workers Medicare reimbursement that was cut in 2007.

In increasing payments for psychotherapy codes by \$30 million a year for five years, your legislation would help maintain the viability of the Medicare outpatient mental health benefit. When the Centers for Medicare and Medicaid Services ("CMS") implemented the "5-year review" on January 1, 2007, psychological services suffered a 9% cut in reimbursement. With such a severe reduction in payment, Medicare beneficiaries across the country could have lost access to needed mental health and testing services, as psychologists and social workers would have had no choice but to reduce their Medicare caseloads or leave the program all together.

CMS's 5-year review rule is well-intended but could have devastating consequences for Medicare mental health services. Under this rule reimbursement for Medicare physician evaluation and management ("E&M") services was increased to more appropriate rates. However, in order to increase these reimbursements and retain budget neutrality associated with this rulemaking as required by statute, CMS reduced other provider reimbursements across the board through a reduction in work relative value units. Since psychologists' and social workers' services are more work intensive relative to those of other Medicare providers, they experienced the most severe reduction in reimbursement. The increase in the psychotherapy payments in your legislation will go a long way toward mitigating this damage.

Medicare beneficiaries already confront significant barriers to accessing psychotherapy and other mental health services. Most problematic among these is the discriminatory 50% coinsurance associated with psychotherapy services, compared with the 20% required for almost all other Medicare services.

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Chairmen Rangel & Dingell
July 24, 2007
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We welcome the section of CHAMP that amends the 50% coinsurance requirement. We are grateful as well for your including language replacing the impending 10% cut in the physician fee schedule under the Sustainable Growth Rate with a half percentage increase for the next two years.

We deeply appreciate your commitment to the mental health of seniors and persons with disabilities in the Medicare program and we look forward to working with you to pass this vital legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Russ Newman", with a long horizontal flourish extending to the right.

Russ Newman, Ph.D., J.D.
Executive Director for Professional Practice